

**TOWN OF GRANBY
BOARD OF FINANCE SPECIAL MEETING MINUTES
FEBRUARY 11, 2013**

PRESENT: Michael Guarco, Chairman; Francis Brady, Robert Clark, Frederick Moffa, O.D. and Al Wilke

Also present: John Adams, First Selectman; Mark Neumann, Selectman; B. Scott Kuhnly, Selectman; William F. Smith, Jr., Town Manager; Barbarajean C. Scibelli, Administration Finance Officer; Alan Addley, Superintendent of Schools; Harry Traver, BOE Business Manager

Chairman Guarco stated there was a quorum and called the meeting to order at 7:30 p.m.

MINUTES

The Board reviewed the minutes for the meeting of November 26, 2012 before taking action.

On a **MOTION** by Al Wilke, seconded by Francis Brady, the Board voted unanimously (5-0-0) to approve the minutes of November 26, 2012, as presented.

AUDIT PRESENTATION BY BLUM SHAPIRO & COMPANY, PC (Vanessa Rossitto)

This matter was tabled due to the presenter unable to attend.

STATEMENTS OF ACCOUNTS

Town Manager Smith reviewed the December Budget Operations Report. Tax collections are at 64%. This report is the half-year mark as it relates to budget reporting. Education revenues from the state are on target and intergovernmental revenues are holding. The state miscellaneous account shows an excess of \$198,316 as a result of receiving the money released from the state for the Wells Road School renovation reimbursement, funds from Storm Irene, motor vehicle violations, and other smaller revenues. The state revenue sharing account includes a one-time payment of \$90,979 for excess revenue sharing funds. On the local revenue side, the miscellaneous account shows an excess of \$13,000 from insurance reimbursements and foreclosure legal fees collection. As reported before, short-term investments will not meet its projected quota and will become a shortfall.

On the expenditure side, Town Manager Smith indicated the overall budget is on target. He commented the past winter storm occurred on a weekend resulting in higher costs for snow removal and the overtime budget will be monitored. Police Operations may need a transfer due to police overtime costs. The Legal Fees account may need to be increased in the new budget to handle personnel matters. A communications grant (\$40,000) will assist the Police Department in the upcoming budget.

In response to a question for the release of the final renovation reimbursement for Kelly Lane School, Mr. Traver indicated this project is outstanding and the State Department of Education is reviewing because the reimbursement percentage based on projected class size was not met.

The December Statement of Accounts from the Board of Education (BOE) was reviewed by Business Manager Harry Traver. There is a \$153,000 favorable balance after making a placeholder for security improvements \$150,000 and \$25,000 for painting. There are two students less than the projected enrollment from Hartland and a net favorable of \$25K on revenue side. Still being reviewed is how an expense will be tracked for the SPED Excess Costs of \$100,000 for one student.

Mr. Traver reported because of the recent snow storm the school roofs were checked out for structural integrity.

Superintendent Addley commented about the security improvements would include the service area and auto lock doors in the inner rooms. Presently, there are exterior cameras in place.

CONSIDERATION OF FY 2013-14 BUDGET GUIDELINES

Chairman Guarco began the budget guidelines discussion. He reviewed the Plus-One Budget for the town (4.73%) and school (2.1% full budget) and his finance worksheet. The school's budget increase will depend on how the SPED Excess expense for one student will be reported. The town's increase on the finance worksheet was 3%. However, after some discussion the Board of Finance did not have a problem with additional expenditures that could be offset by revenues.

A discussion ensued regarding the bond sale for the capital improvement projects of \$11.4M. Town Manager Smith indicated the Board of Selectmen directed him to proceed with a bond sale of \$8.7M, which brings in an additional amount of \$300,000 toward the capital projects spending that will be used as contingency for all projects. If this money is not used for projects, it will be used for payoff of the bond. The premium from the bond sale (approximately \$709,000) will be used to pay back debt service and the first two years of pay back will be interest payments only. The net premium amount after issuance costs is about \$610,000. Approximately \$90,000 per year is fall off from existing debt service.

Next discussed was the state's proposed budget. The state is eliminating many grants such as state owned property tax and the Pequot and Mohegan Grant. Education Cost Sharing has a slight increase and there is a new item called "Hold Harmless" which is supposed to provide us with the same bottom line of state funds as this year. There is a proposed increase in Town Aid Road and LoCIP, which the town does not budget through the General Fund so it does cause an overall loss in General Fund revenues to the town. There are concerns regarding the motor vehicle tax issue and how it will impact the town's budget if vehicles can't be taxed by the town. It was noted that this item can be put off for a year.

The Board of Finance concurred that the mill rate increase be less than 2%. All commented the automatic machine vote for budget approval is a change for the town this year. Dr. Moffa commented that the detective position should be included in the town's budget, and on the school side, safety is a concern and liked the approach the school is taking. Mr. Wilke indicated both the town and school's administration are doing a good job; however, he has heard negative comments regarding the past vote for capital improvement projects (public wished to vote individually for projects). Mr. Clark concurred with Mr. Wilke and noted this year is a revalue year. Mr. Brady commented that the motor vehicle tax issue will have an impact for town.

On a **MOTION** by Al Wilke, seconded by Frederick Moffa, the Board voted unanimously (5-0-0) to direct both boards to work for a mill rate of no more than 1.95% and not to exceed 2%.

BOARD OF FINANCE MEMBER DESIGNATION FOR BUDGET WORKSHOPS

Chairman Guarco and Dr. Moffa were designated to attend the town's budget workshops; Mr. Wilke and Mr. Clark were designated to attend the school's budget workshops. Mr. Brady will attend some workshops if possible.

CONFIRM DATE OF NEXT MEETING

The next regular meeting is scheduled for February 25, 2013 at 7:30 p.m. in the Police Department Community Room.

The meeting scheduled for March 25, 2013 at 7:00 p.m. in the Senior Center Community Room will be to receive the budget presentations from the Board of Education and Board of Selectmen

A discussion was held regarding how to get information out on the proposed FY 2013-14 budget. There is a public hearing held by the Board of Finance in April. Other avenues mentioned were a flyer, informal sessions, attendance at focus groups, website, etc.

ADJOURNMENT

On a **MOTION** by Mr. Brady, seconded by Mr. Wilke, the Board voted unanimously (5-0-0) to adjourn the meeting at 9:45 p.m.

Respectfully submitted,

Patricia I. Chieski
Recording Secretary